


**FUNDAMENTAL  
PETROLEUM  
TRENDS?**
**WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK**
**A Fundamental Petroleum Trends Weekly Report**

 Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, August 25, 2010

Cash Basis Outlook			
Product	Market	Weeks Forward	
		1 - 2	3 - 6
RBOB	NYH	→	→
	Gulf	→	→
	W Coast	→	→
Conventional	NYH	→	→
	Gulf	→	→
	Grp III	→	→
	Chicago	→	→
	W Coast	→	→
Gulf Coast Price Outlook		→	→

Wholesale demand decreased -84,000 bpd last week, after the prior week surge. The latest 4-wk average demand was +272,000 bpd above last years' record low level.

Production jumped +289,000 bpd, to a record high for the period. Imports increased +331,000 bpd to a record.

The latest 4-wk average supply was +174,000 bpd above last year.

Record production offset seasonal peak demand, leading to a counter seasonal stock build of +2.3 million barrels. The latest 4-wk stock change East of the Rockies was a +2.4 million barrel build, a record build for the period.

Cash basis for RBOB and conventional grades increased late in the week across all regional markets as summer demand peaked and futures markets fell. While conventional grades saw significant strength, the level remains at or below the historic mid range.

Look for continued very short term basis strength on peak summer demand that ends with the Labor Day holiday.

The East and Gulf Coast markets are extremely over supplied with record production and stock levels. As peak summer demand winds down, the excess supplies in these markets will remain a significant burden to basis in these areas. Fall refinery maintenance in the Midwest and lower stock levels should allow the Group and Chicago markets to enjoy more favorable basis.

**RBOB**

**New York Harbor** basis to extend current uptrend on end of season demand, then trend lower on excess supply.

**Gulf Coast** basis to extend current uptrend on end of season demand, then trend lower on excess supply

**West Coast (Los Angeles)** basis to trend lower as process units return to operation.

**Conventional**

**New York Harbor** basis to extend current uptrend on end of season demand, then trend lower on excess supply.

**Chicago basis** to trend higher on end of summer demand, then enjoy modest support on fall maintenance.

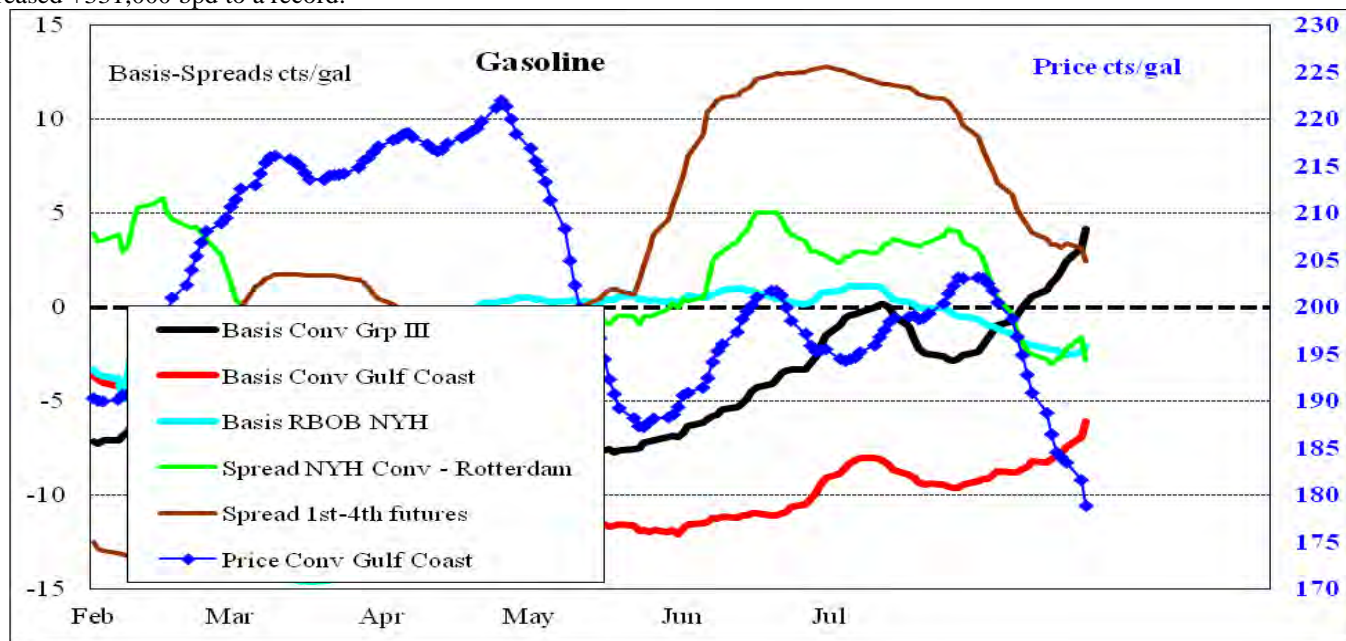
**Group III** to trend higher on end of summer demand, then enjoy modest support on fall maintenance.

**Gulf Basis** is to extend current uptrend on end of season demand, then trend lower on excess supply

**West Coast (Los Angeles)** to trend lower as process units return to operation and imports arrive.

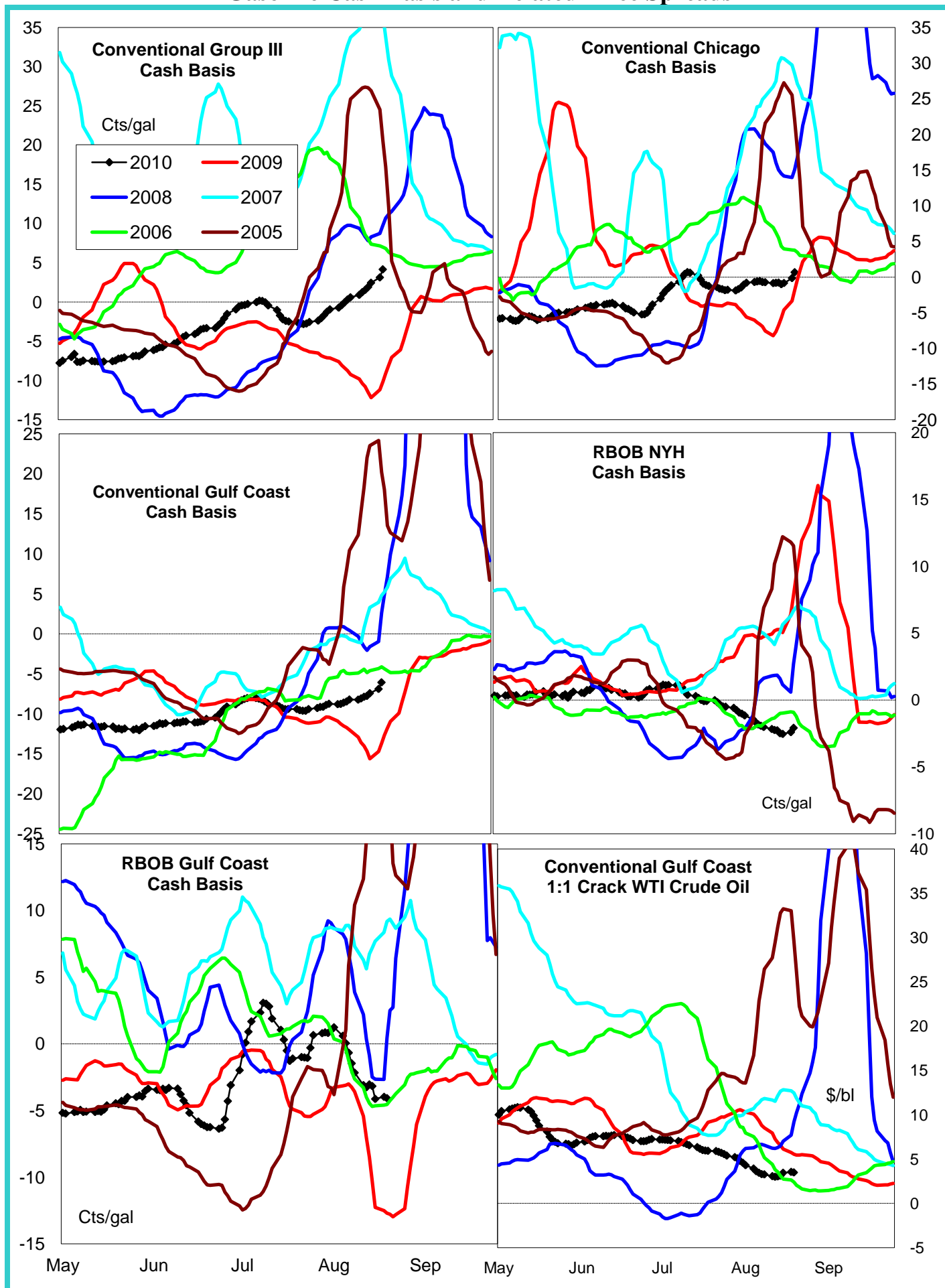
**Gulf Coast Price**

PADD 1 and 3 markets are extremely over supplied, which should pressure prices lower as peak summer demand winds down.

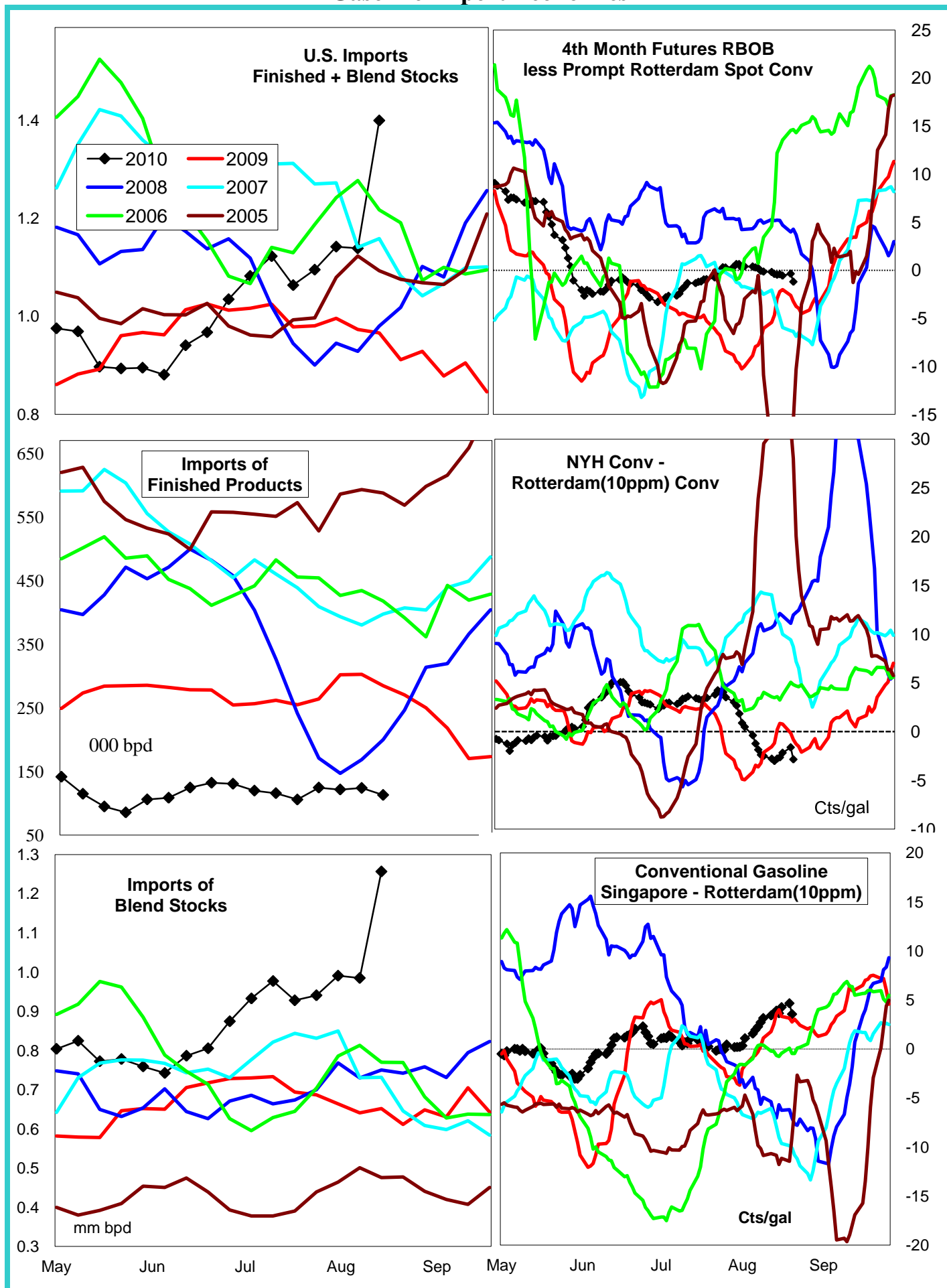


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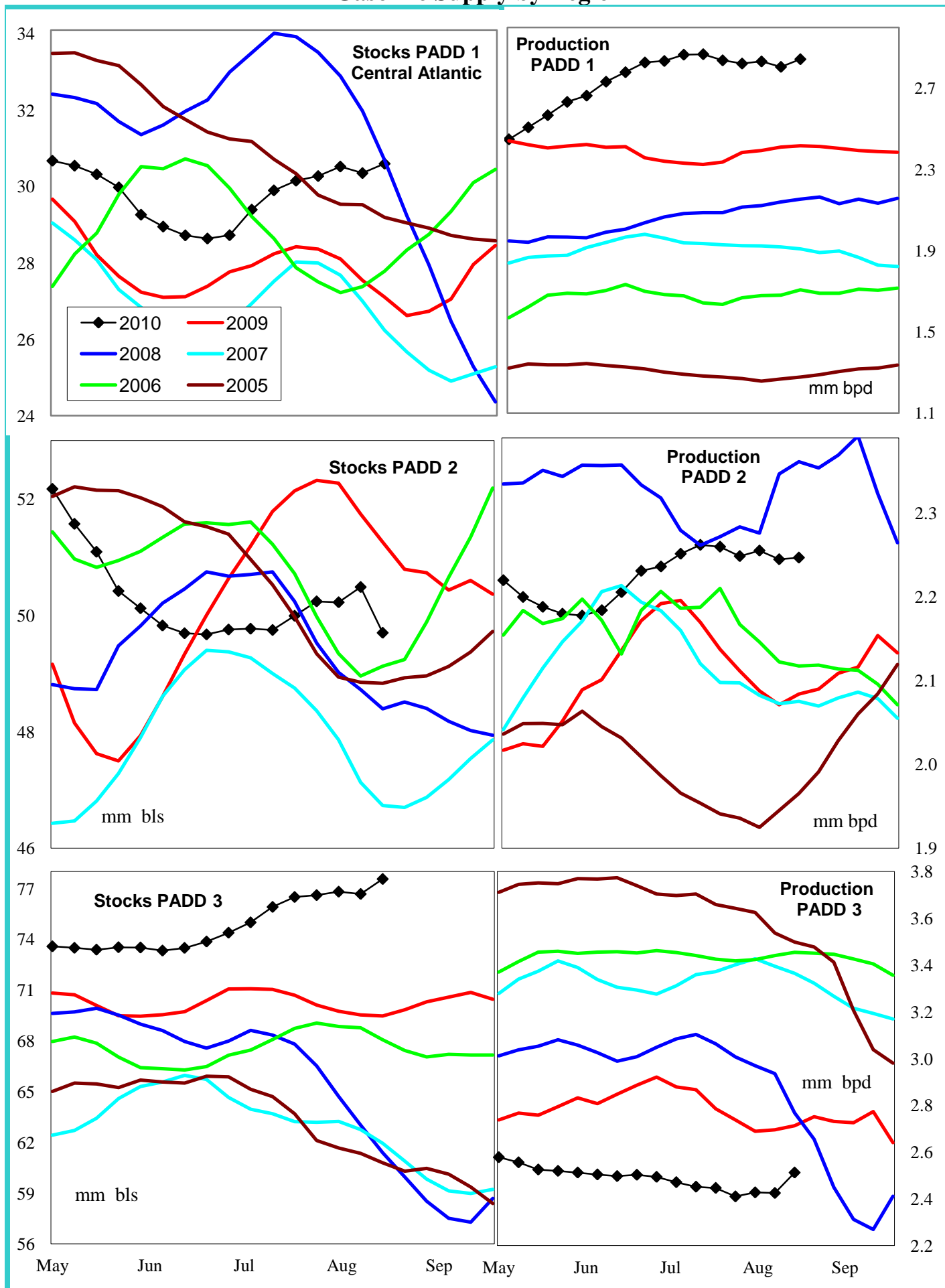
# Gasoline Cash Basis and Related Price Spreads



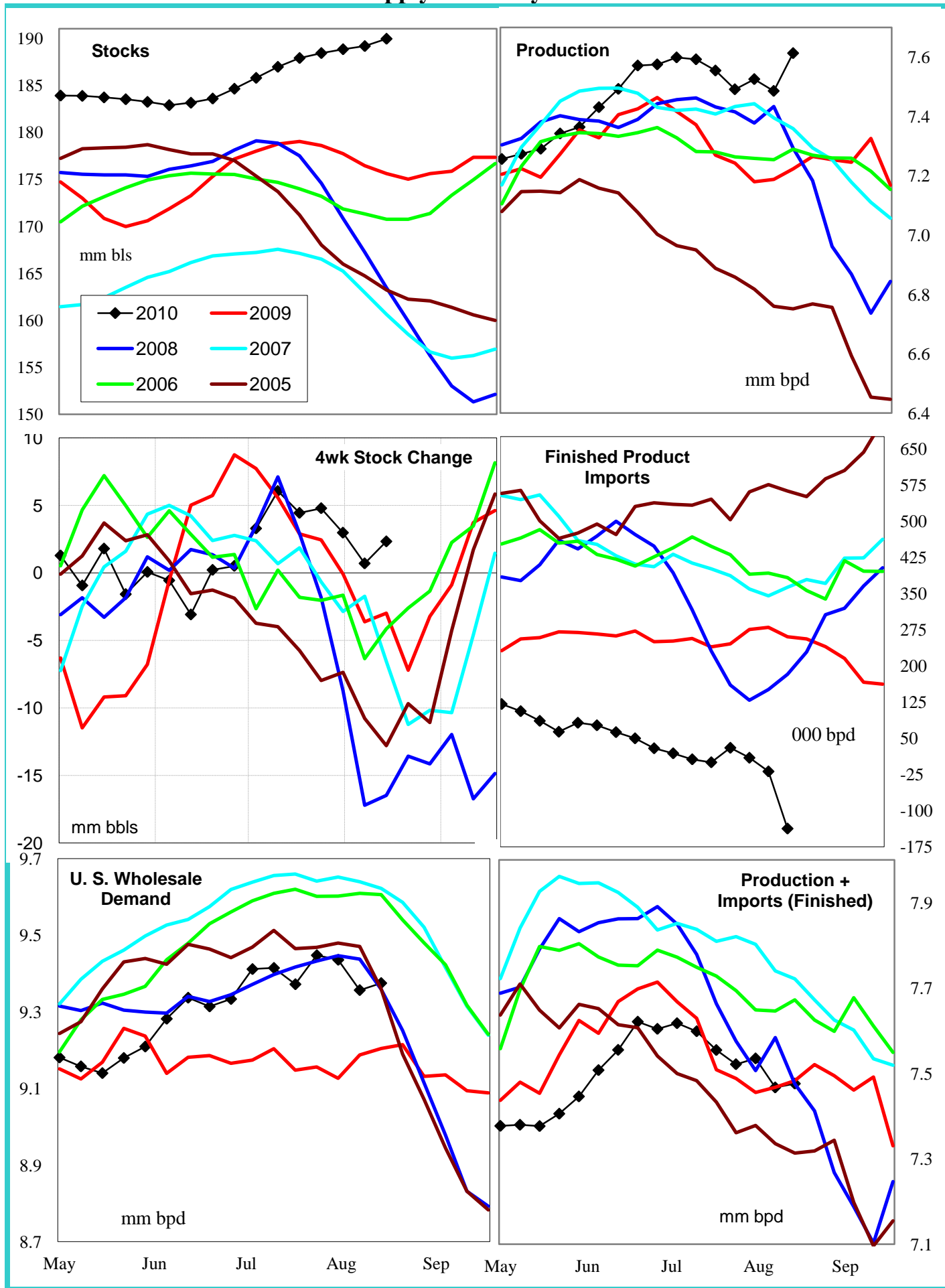
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

